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however, she claims that she is the prior appropriator, and is therefore entitled to have the relief prayed for. Under the accepted theory of prior rights, Kansas, as a state, is not entitled to have the diversions in Colorado prohibited, but the individual appropriators in Kansas are entitled to have such appropriations in Colorado as are subsequent to their own restrained, if it is shown that diversions in Colorado actually deprive the earlier Kansas ditches of water. It is claimed by Colorado that even if the water was not used in that state, the ordinary flow of the river would not reach far into Kansas, but would be lost by evaporation and seepage in the broad, sandy bed of the river in eastern Colorado and western Kansas. The court has ordered that evidence as to such practical questions as this be submitted when the case comes up again.

There is urgent need for the settlement of the questions raised in this case. The establishment of the contention of either party would be a great hardship on present irrigators and would be a great hindrance to future development. If the upper state may use the entire water supply originating within its borders, water users in every state in the West except Colorado may be deprived of the supply which has made their settlement possible. On the other hand, if the lower state has a right to the undiminished flow of the streams entering its territory, all future agricultural development in the Rocky Mountain states is precluded. The enforcement of priorities regardless of state lines has behind it the decision of the United States and state courts and the interest of all users of water, present and to come.

RAY P. TEELE.

WASHINGTON.

SOUTH AUSTRALIAN STATE SOCIALISM.

ON the 22d of February, 1894, a special train conveyed a hundred families, in number about 350 persons, to the borough of Morgan, on the Murray river in South Australia, 100 miles from Adelaide. The heads of these families were laborers out of work, and for the most part unacquainted with one another. Only a few had definite social ideals; most came out to escape the misery of the great town, to establish a home in the country, and to find remunerative work. The government of South Australia opened for them a suitable credit account and sent them to Lyrup, where they were assigned tracts of land, which by a law passed in 1893 they were to occupy jointly, until they should have repaid the money advanced by the state. Upon

repayment, however, they were to acquire the right of dividing the land among themselves as private property.

Shortly after this, in the same district—that is to say, in the neighborhood of Morgan—arose the village settlements of Pyap, Holder, Waikerie, Gillen, and New Era; somewhat later New Providence, Moorook, and Kingston followed. These latter were better organized and enjoyed the advantage that their members had already become thoroughly acquainted with one another in Adelaide and possessed some private means. The tenth and last, and at the same time the smallest and most remote, village, Murtho, consisted of adherents of the doctrines of Henry George. Each of these brought £60 with him. This settlement rested on a purely communistic basis; but it was closed in March, 1900, and disposed of on a lease at what may be considered a satisfactory rental, sufficient to cover practically the whole of the unpaid balance of the money advanced for improvements.

The Opposition in the South Australian parliament has unjustly reproached the ministry with having made “costly *communistic* experiments,” and thus it has become customary to name the colonies we are describing “the Australian communistic villages,” although, as was said, only one of them deserved this designation. Indeed, the experts who were on the spot never made this mistake. Michael Davitt calls them “workmen’s colonies.” Henry R. Walker speaks of them as “labor co-operative societies,” and the official expression is “village settlements.” At any rate, the prescribed joint occupation, with its necessary accompaniments, gave the whole plan a certain half-communistic air; but this was merely temporary and was not real communism. It was not the intention of the government to promote a communistic experiment. The doctrines of communism were, moreover, unknown to most of the settlers, and, indeed, their aims were directly opposed to these doctrines. At the end of 1893 South Australia was visited by a severe economic and financial crisis, which forced the government to stop the great public works. The purchasing power of the public was weakened, and the foreign trade of the colony suffered exceedingly. The result was that at the beginning of 1894 a considerable number of workmen were starving, while the trade unions, crippled immeasurably by the great strike of 1890–91, were unable to help them. Good advice was all the more needed at that time, for the government was averse to emigration, because the colony with its enormous area, had only 320,000 inhabitants. The policy of promoting the cultivation of

unused land by means of willing settlers has been followed by all the Australian states since 1861, and this put it into the minds of the chief authorities in Adelaide to make use, for this purpose, of a portion of these unemployed workmen. They were all the more ready to do this as the crowding of the unemployed together in the chief town might easily have led to disturbances and to the lowering of the current rate of wages. The plan, unfortunately, was carried out without sufficient method and with too great haste.

In 1893 a law had been passed with the object of attracting to the colony small capitalists, to whom the earlier laws had offered no satisfactory method by which they could get occupation of land in the way they wished. The new law decreed that every suitably qualified person, together with at least twenty co-operators, should have the right to found a village settlement on a self-governing and co-operative basis. A man must possess at least £50 to enable him to join such an association. Such persons as the following are not held to be qualified: "Asiatics, foreigners who do not know English, persons living in concubinage, those who have been expelled from similar settlements, those affected by contagious diseases, married women not living with their husbands, persons under eighteen or over fifty years of age." For the settlement of quarrels or legal questions recourse must be had to arbitrators and ordinary courts of law avoided.

The government placed land, to the extent of sixteen acres a head, at the disposal of the settlement on the following conditions :

For ten years 2s. 8d. an acre must be expended annually on improvements. The government is to receive a yearly rental of about 2s. an acre; but loans for improvements may be granted, which, however, must not amount to more than £50 a head. These money loans must be paid back within ten years, and after the third year 5 per cent. interest is charged. The inhabitants of a village settlement are jointly responsible for the repayment, and until this has taken place the association cannot be dissolved; but as soon as all is paid the piece of land occupied by each settler passes into his personal possession.

In consequence of the starving condition of many workmen, the Adelaide Industrial and Labor Council presented a petition to the minister for agriculture, Mr. Gillen, asking that the new law, passed for the benefit of small capitalists, might also apply to those penniless laborers who might be inclined to settle on the Murray river. The government agreed, paid the traveling expenses of the applicants, granted them the necessary money advances on loan, and consented to

their occupation of considerable tracts of land, in all about 68,755 acres. The public supported the undertaking by subscribing smaller amounts. Mr. Gillen hoped by this experiment not only to aid the starving people, but also to profit the state, because he expected that the new settlers would by their labor on irrigation works reclaim those tracts of land hitherto considered unfit for cultivation on account of the uncertain amount of rainfall. This expectation has been fulfilled, though by no means so quickly and smoothly as was expected.

If it rains, as it usually does in May, the river becomes extremely broad and leaves behind it a rich alluvial deposit; but frequently there is not a drop of rain from August to February. Moreover, the rabbits have increased so greatly that many squatters have been ruined by them.

Until a few years ago, therefore, only fishermen and wood-cutters could exist in that country. In order to have the rich resources of the Murray developed, the ministry about thirteen years ago accepted the offer of the Canadian firm of Chaffey, which consists of large capitalists, to start an irrigation company. The firm received 250,000 acres of land free of payment, in return for its engagement to lay out £300,000 on the same within twenty years. The company was empowered to sell pieces of land with a guarantee of their sufficient irrigation. It therefore undertook to erect and lay out within five years great fruit-drying and fruit-gathering premises, and to cede to the government a twentieth part of the irrigated land, partly for the erection of a school of agriculture, partly for other state purposes. The Chaffey works were begun in 1888. When the Lyrup settlement was started in the close neighborhood of the Chaffey land, the Canadian firm had already expended £100,000 in pumping engines and had planted about 5,000 acres with fruit trees; and more than 600 persons were living on the portions of land that had been properly prepared. In Renmark there were already a post-office, a bank, a school, warehouses, churches, a hotel belonging to the community and established on the Gothenburg system, with the condition that the profits should be employed for the public welfare. In such favorable surroundings did the starving people of Adelaide settle, between Morgan and Renmark, that is, on a tract of land about 100 miles long. The first settlement was founded, as was said, in February, 1894; the last in January, 1895. The conditions of the arrangement with the government and the local circumstances forced the colonists to work under a system of joint labor, but they were free to organize this system as they liked.

The people of Lyrup, which was the earliest settlement, drew up the first statutes, and these were adopted word for word by the remaining villages.

To illustrate the organization of the settlements we give in the following paragraphs the chief points of these statutes :

New members pay an entrance fee. Their admission depends on their election by the majority of the general assembly. If anyone leaves the association, he remains responsible for his share of its debts. According to the circumstances of the case, the council of management can demand from him a guarantee or grant him an indemnification. If a member wishes to give up his lot to an outsider, he must get the permission of the council of management. A man can be expelled by the council (on eight grounds), but he has the right of appeal to the assembly. The chief grounds of expulsion are insubordination and disregard of the repeated warnings of the authorities. The expelled person loses all his rights, but remains answerable for his share of the obligations of the society. The community however may grant him an indemnity. His removal may be effected by force (if necessary). The council of management consists of five members, two of whom retire each half year. Its chief duties consist in representing the settlement in its dealings with the government, in awarding the blocks to the villagers, in the erection of buildings, the laying out of industrial premises, the purchase and expenditure of all requisite materials, the building and management of warehouses for the necessities of life and for selling the products of the settlement to strangers, the fixing of the amount of rations, the maintenance of order and discipline, the execution of the decrees of the general assembly, and the guarding of the interests of the community in general. The secretary is nominated by the council and under its superintendence looks after the book-keeping, the money matters, etc. All the more important decisions of the council are subject to ratification by the general assembly. A dividend, amounting at most to two-thirds of the net profits, may be divided equally among the members. The villagers owe obedience and respect to the council. They must dwell on the blocks assigned to them and may not go away without permission. Each man receives every year a furlough of two weeks at a time fixed by the council. Every settler is allowed to manage his own portion of land as seems good to him, although he has not the right of ownership in the soil nor the improvements on it. But he remains in personal possession of all tools brought with him and of all movable goods that have been placed at his disposal. Each member of the community receives wage-coupons, on presentation of which he obtains all the necessities of life, in amounts varying in proportion to the means in hand. The table of prices is fixed according to the number and age of the members of the family. Anyone who does not use up all his coupons has their value made good to him later on, if the means of the society allow. After payment of the loans, rent,

and taxes, the society can dissolve itself and divide the land among its members as their private property.

The statutes, as we see, exhibit some features which give a half-communistic appearance to the settlement; for example, the joint management under the control of an elected council of administration, the obtaining of all necessities from the association's own store, the fact that there is no right of personal property in the blocks. This appearance is, however, entirely removed by other regulations, such as the following: that a man can do what he likes with his own portion of land; that the usufruct during the whole period of joint labor is secured to him; that in case of the dissolution of the society the ownership of the land is vested in the members on payment of a low rent; that the payment of dividends is arranged for; that the unused assignments, *i. e.*, coupons form, in a certain way, a private capital; that after the payment of all debts the society can be dissolved and the property subdivided, if so resolved on by a majority of the members. These individual features prove the provisional character of the communistic statutes introduced, not voluntarily, but of necessity.

Among the chief obstacles against which the settlers had to contend was the difficulty of securing experienced persons for the management. If an enterprise is to prosper, all plans and preparations first of all, and afterward the carrying on of the business, must be under the direction of capable men; but in this respect the settlements were much hampered, for among the villagers could be counted only a few men sufficiently trained in the different branches of work, and a still smaller number fitted for leadership. The natural consequence was a series of blunders, dissensions, losses of time and money, jealousies, removals, new elections, failures of discipline, etc. Such things have been experienced often enough before in other social colonies, from Cabet's Icaria down to Lane's New Australia. This is even the case when settlements of this kind are working with their own money and hold general assemblies very seldom; and things were still worse in the Murray valley where men were carrying on their business with borrowed capital and meeting together every month. The burdensome conditions under which these settlements had to make their purchases proved another great drawback; for after the money advanced by the state and subscribed privately had been exhausted (the latter sum amounted to £4,000), the contractors for supplying goods to the villagers raised their prices in proportion to the insecurity of the credit. In short, the financial state of the settlements was from the beginning much too

depressed for them to be able to engage really effective, that is to say costly, managers. The situation was made still worse by faulty organization, as may be seen in the statutes.

About the middle of the year 1895, when the minister of agriculture saw that the legal amount of the loan (£50 a head) had already been exceeded, and that there was no prospect of repayment, he got the legislature to empower him to increase the loan to £100 a head and to extend the period before repayment must begin from three to five years. He did this in the hope of giving new life to the settlements. He recognized that the extensive independence granted to the associations had led to abuses and caused the introduction of some controlling supervision to appear desirable; he, therefore, suggested that Parliament should send a committee to study the condition of affairs on the spot. This committee examined 115 persons and sent in a report in November. It appeared from the report that the money advanced by the government amounted to over £26,000, not reckoning the debt for the goods furnished by the state, and the arrears of rent and taxes, while the number of families had fallen from 592 to 440. Some 650 acres had been turned into arable land and about half of that brought into cultivation. The pumps that had been set up sufficed for the irrigation of about 250 acres, a quarter of which had been irrigated first, and then planted with fruit trees, vines, vegetables, and fodder for cattle. The products of the season were valued at £6,624, and reckoning, in addition to this, the cost price of the machines, stock, tools, buildings, and improvements, the credit side of the account amounted to £47,624, against which stood debts to the sum total of £37,416.

In consequence of the report of the committee, some of the villages were very soon closed, partly on account of the too great proximity of Morgan with its public houses, partly on account of serious quarrels, and partly on account of the poorness of the soil. Only eight villages remained; and now there are only seven, for Murtho, as has already been mentioned, was given up last year. The whole superintendence was entrusted by the government to a village expert, Mr. P. McIntosh, who lives in Overland Corner, visits the communities frequently and aids their managers with his advice and assistance. "Since his appointment," writes M. Louis Vigouroux,¹ "quarrels have abated and the works are much better directed. . . . This expert is very intelligent and saves the settlers much loss of time and many disappointments."

¹"*L'évolution sociale en Australasie*" (Appendix), Paris, 1902.

From the time of that inquiry up to the end of June, 1897, there has been a considerable increase in the extent of the land cultivated (about 476 acres), but, on the other hand, the great decrease in the number of inhabitants has resulted in perceptibly increasing the pressure of the burden of debt on the individual members. On the whole the financial condition of the settlements at that time, about the middle of 1897, was far from satisfactory. Other circumstances arising from the practical application of the statutes also caused discontent; for example, the system of coupons, the unnecessary liberality in the amount of the rations, the equal treatment of the idle and the industrious, etc.

The necessity of a fundamental change in the methods of management became evident, and Mr. McIntosh devised a system which should combine the advantages of a co-operative business with as substantial a guarantee as possible to each man of the profits of his own labor. This system was introduced, by way of trial, first in Ramco, where circumstances were especially favorable, because the villagers there had made fewer mistakes and were less burdened with debt than the others, and because, moreover, they were all unmarried men and had not families to support out of the proceeds of their labor. Lyrup also received permission to adopt a transition system. From the following short comparison the chief points of both systems will be seen: In Ramco the common property is divided into twenty-five blocks; each member receives a block and in return is answerable to the council of management for the twenty-fifth part of the debts of the association. In Lyrup each member can occupy and cultivate the piece of land assigned to him by the council—at least five acres—on a yearly payment of 2s. 6d. an acre. In Ramco each member pays his own quota of the whole cost of irrigation; in Lyrup he pays only for the water used for the irrigation of his own land. In Ramco the work, even on the separate blocks, is done jointly, while in Lyrup each man can work as he likes on his own block. The men of Ramco may spend 15s. every week out of their wages, and they receive the rest at the end of the year. The Lyrupers, on account of the bad state of their finances, can spend only half of their earnings and must wait for the remainder an indefinite time until circumstances will allow of their receiving payment.

We see that the Ramcoers, contrary to the ruling of the law of 1893 and the conditions on which they obtained loans, were allowed to a certain extent to assume an individual right of property in the land even before the fulfilment of their engagements. Thus a personal

responsibility replaced the solidarity of a joint guarantee. In both villages every man works at the same time on his own account and for the advantage of the society. Whenever it is possible, recourse is had to work by contract. For example, a man who fells a ton of firewood earns 2s. In both villages the work done in common, always the largest part of the whole work, is placed under the charge of a "manager," an expert, who directs the work and has large powers; but appeal can be made to the minister of agriculture against any possible misuse he may make of these powers. M. Vigouroux writes:

When I visited the settlements in May, 1898, the regulations and rules of all of them embodied the reforms that had been thought necessary by the parliamentary committee of 1895, namely, a better guarantee for the rights of each individual member; the settlement of punishments for offenses against order and discipline, which in many cases made expulsion unnecessary; the authorization of the minister to remove the managers; the supervision of the managers by a village expert. The majority of the inhabitants of Ramco and Lyrup appeared to me to be content with the new order of things.

Michael Davitt and the other visitors of the settlements, among them the minister of agriculture, also received this impression.

The women are delighted [remarks M. Vigouroux] because there are no public houses in the neighborhood and the children enjoy good health. . . . In certain villages, especially in Holder, the dwelling-houses are much more comfortable and better built than the usual town dwellings of laborers. The state of health is generally excellent. The material conditions of life are satisfactory. As for the intellectual element, it is furnished by the visits of strangers and by books.

Visits, concerts, picnics, dances, etc., constitute the social intercourse of the communities.

Now that the chief difficulties have been overcome the people have grown much attached to the soil. . . . The majority of these once starving people will not be disappointed in their hope of making for themselves a home on the Murray. . . . The government of South Australia will not have cause to repent the money they have sunk in this experiment if it is successful in securing a satisfactory existence to hundreds of families on that river. Besides, this government, and the same may be said of all the Australian governments, is continually endeavoring to benefit the unemployed and to create a middle class of peasant proprietors.

With regard to the prospect of repayment of the state loans, M. Vigouroux says in another part of his interesting and valuable book that it is very doubtful whether the state will ever see again any

considerable portion of the capital advanced ; but it is probable that, if the weather and harvest conditions are not disappointing, it may be able to exact a permanent interest of 5 per cent. The *Year Book of Australia* gives the total number of persons living in the "village settlements" as 787 at the end of 1898. McIntosh's last report, dated July 24, 1901, gives them at 513, including 338 children—a great falling off. But on the other hand, the extent of the land irrigated and under cultivation had increased considerably. The said expert writes :

During the past twelve months the general progress of the settlement has been of a more satisfactory nature than for any previous term, for, although the average number of settlers employed was less than for 1898-9, yet practically more useful and permanent work was accomplished during the past year, the greater portion of which was directed toward the ultimate settlement of the villages upon the blocks.

All the villages have this object in view, although none can fulfil the original conditions of repayment, etc.

Upon the present condition of the separate co-operative associations, we will take some short statements from McIntosh's detailed report :

Lyrup: The actual returns [of the harvest of 1899-1900] practically doubled that of the preceding season, the credit for which is mainly due to the present management. For the ensuing season the yield should, provided the property is managed upon the same lines as at present, be double that of the past season.

Pyap: The settlers here are apparently tired of the original system, and are now discussing a proposed alteration on lines somewhat similar to those existing at Ramco or Lyrup. The prosperity of this place under a strong practical management and the block system, can be assured ; but without some such change I see no possible hope for the ultimate success of the place.

Moorook should be in position to meet its current expenditure and leave a considerable margin of profit, provided the prospective crops can be safely harvested ; but, unless the roll of membership is considerably increased, it will be necessary to employ outside labor for the purpose. In the event of the property being subdivided into blocks, the prospective owners will be in possession of really first-class holdings, with bright prospects of success at an early date.

Kingston: The prospective return should be sufficient to meet the outgoing expenses in the future, but the greatest economy must be exercised for the next two years ; eventually Kingston will be one of the most profitable estates on the river, provided it is managed judiciously. All the necessary channels for the irrigation of the blocks are concreted, and within a month a

water supply sufficient for all the requirements of the present population will be successfully completed.

Holder: The decrease in membership necessitates the requirement of fewer blocks and consequently a much more economical system of channeling. The area under cereals here should, provided the season continues favorable, yield sufficient to meet the annual expenditure; but the strictest economy will be required in all branches for the next two years to pull the place through.

Waikerie: I still hold the opinion that Waikerie has greater possibilities before it than any of the other settlements; but a firm and practical management, with the most rigid economy, will be required for the next two years to place the estate on a thoroughly sound basis.

Ramco: The whole of the settlers are now residing upon their respective blocks as surveyed, and the place presents a much more permanent and attractive appearance than any of the other settlements at present. With judicious and economic management no further financial aid should be necessary at Ramco.

Mr. McIntosh closes his report with these words:

Great interest is manifested in the proposed future legislation on behalf of the associations, and no doubt exists but that the actual knowledge of an alteration in the present act will materially benefit the general community by causing them to be more economical, independent and self-reliant.

Mr. Gillen's experiment, begun without sufficient preparation and forethought, may still end happily, even in a somewhat limited form. Indeed, M. Vigouroux thinks, and probably with justice, that the experiment would have been finally shipwrecked long ago if the Chafey estate had not done pioneer work which facilitated matters proportionally for the unskilled and starving men from the great town. Without the markets and shipping provided by the Canadian firm, without the experience gained by their 600 blockers, it would probably have fared very badly with the Adelaide workmen on the Murray.

LEOPOLD KATSCHER.

BUDAPEST.

THE SITUATION IN FINLAND.¹

THIS book, which has appeared simultaneously in Danish, French, and English, is especially welcome at this time when thousands of Finnish immigrants, driven by the troubled political condition of their country and by economic distress, are seeking a new home in the

¹N. C. FREDERIKSEN, *Finland, Its Public and Private Economy*. London: Edward Arnold, 1902.